

Consumer Credit Control

states that if any contract is made in violation of this agreement with regard to interest and the payment thereof, it shall be void.

I know that in the province of Quebec most conditional sales contracts contain a clause which allows the seller to retain full ownership until the last payment. They also allow the seller to revindicate the property, and the seller may keep all the instalments if there is any default in the payments. It would seem to me that if the sanctions that are set out in section 5 were applied the poor buyer would still stand to lose his property under the revindication clause, and all his instalments to date, by virtue of this clause.

It seems to me if this bill were to be truly effective, it should have contained in sections 5 and 6 a provision to the effect that not only the agreement with regard to interest should be considered void but that all parts of the contract that would favour the seller should be considered void. As I say, this is my principal objection to the bill. I do not think it does enough to protect the consumer, especially under a conditional sales contract as I know it in the province of Quebec.

● (5:40 p.m.)

With respect to the constitutional validity of such a bill in our civil code in the province of Quebec, we have complete sections dealing with instalment sales covering almost the entire subject matter here set out. I must admit that our civil code does not control the rate of interest in as strict a form as is suggested in this bill, but I am doubtful whether the bill would be considered constitutionally valid. However, I approve of the principle it enunciates.

I should like the hon. member who has put the bill forward to advise us whether he has any comments to make on the loopholes I see in it.

[*Translation*]

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I have a few remarks to make about the bill now under discussion. However, I should like to allow the hon member for Rosedale (Mr. Macdonald), who is very competent in this field, to express his views.

I am somewhat hesitant to deal with such a matter because my former law teacher, the President of the Privy Council (Mr. Favreau) is here, and I believe I could easily misrepresent his teaching or make statements he would consider erratic. At any rate, I shall try to restrict my remarks as much as possible, pointing out first of all that this bill is

[Mr. Allmand.]

surely interesting. However, some reservations should be made under the point of law providing that in matters of civil law, the agreement is binding on the parties. That is a basic principle of contractual relations, it is practically a sacred principle; and legislation outside the normal scope of contractual relations, statutory legislation, should interfere as little as possible with that area.

Mr. Speaker, I would like to refer to some sections of the Quebec civil code to show that the hon. member nevertheless made a praiseworthy effort. Section 3 of the bill suggests that widespread publicity be given to certain conditions of the contract, obviously conditions to protect the consumer.

We have in the Quebec civil code, section 1561(c) which was introduced in 1947 and which provides for the protection of both seller and buyer.

Section 1561(c) reads as follows:

The contract must mention:

- a. The regular cash sale price, as it appears in advertisements, labels, price lists, catalogues and other price marks of the seller and such is exacted from the cash buyer, including, if there is any exigible from the buyer, the cost of transportation and installation of the thing sold;
- b. the sale price on the instalment plan;
- c. the amount of the initial payment required, with separate mention of the amount received in currency and of the amount received by the giving in payment of a moveable, as the case may be;
- d. that of each of the deferred payments.

The contract shall refer only to things sold on the same day.

A duplicate copy must be given the buyer.

Obviously, the legislators were careful to provide for publicity in connection with agreements which may be arrived at in those specific cases, a publicity which does them great credit for it protects, to a certain extent, the consumers' money.

I draw a parallel between section 3 of the bill now under consideration and this provision contained in the civil code of the province of Quebec, to say that the intention of the sponsor of this bill was surely a generous one.

Now, as far as rates of interest are concerned, the hon. member made a reservation a moment ago when he referred to the possibility of a constitutional objection. Referring once again to the civil code of the province of Quebec, it is seen that, in matters of interest, our provincial legislation is somewhat silent.

It is seen that Section 1785 of the Civil Code is practically the only provision dealing